

Message Text

UNCLASSIFIED

PAGE 01 MONTEV 03559 171601Z

14

ACTION XMB-04

INFO OCT-01 ARA-10 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 L-03 NSC-05 SS-15 STR-04

CEA-01 PA-02 PRS-01 /097 W

----- 019594

R 171500Z OCT 75

FM AMEMBASSY MONTEVIDEO

TO SECSTATE WASHDC 9962

UNCLAS MONTEVIDEO 3559

DEPARTMENT ALSO PASS EXIMBANK

E.O. 11652: N/A

TAGS: EFIN, UY

SUBJ: GOU ACTS ON COMMERCIAL ARREARS AND OTHER
ECONOMIC REFORMS

REF: MONTEVIDEO 3424

1. AS ANTICIPATED REFTTEL, URUGUAY'S CENTRAL BANK ON OCTOBER 15 ANNOUNCED PAYMENT OF ALL COMMERCIAL ARREARS. CENTRAL BANK CIRCULAR 684 PROVIDES FOR IMMEDIATE PAYMENT OF COMMERCIAL ARREARS, WHICH HAD BEEN CONSOLIDATED AND UNILATERALLY RESCHEDULED IN 1973 UNDER CENTRAL BANK CIRCULAR 409 AS AMENDED BY CIRCULAR 484. CREDITORS HOLDING PAYMENT ORDERS DUE 12/31/75, 6/30/76, AND 12/31/76 CAN NOW PRESENT THESE TO THE CENTRAL BANK FOR PAYMENT. THE NEW CIRCULAR IS CLEARLY AIMED AT IMPROVING URUGUAY'S CREDIT IMAGE ABROAD. THE TOTAL AMOUNT CURRENTLY OUTSTANDING IS \$13-14 MILLION.
 2. OTHER RECENT STEPS IN THE GOU REFORM PROGRAM INCLUDE THE REMOVAL OVER THE NEXT THREE YEARS OF TARIFF SURCHARGES ON IMPORTED AGRICULTURAL TRACTORS AND THE GRADUAL REDUCTION OF SURCHARGES ON ALMOST ALL TRUCKS. WHILE VEHICLE ASSEMBLERS ARE OBJECTING TO THIS LOSS OF PROTECTION, IT IS IN LINE WITH THE GOU POLICY OF ENCOURAGING PRODUCTIVE INVESTMENT, PARTICULARLY IN AGRICULTURE. IN AN EFFORT
- UNCLASSIFIED

UNCLASSIFIED

PAGE 02 MONTEV 03559 171601Z

TO REDUCE THE SQUEEZE ON THE ASSEMBLY OPERATIONS, THE GOVERNMENT

HAS ALSO REMOVED THE FIVE-MONTH 35 PERCENT MINIMUM PRIOR DEPOSIT ON TRUCK AND TRACTOR KITS AND DIESEL MOTOR PARTS.

3. THE GOU HAS TAKEN ADVANTAGE OF THE TEN PERCENT OPEC PRICE HIKE TO IMPROVE ITS FISCAL SITUATION. ON OCTOBER 3, ALL PETROLEUM PRODUCTS SOLD BY THE STATE MONOPOLY ANCAP WERE INCREASED BY AN AVERAGE OF EIGHT PERCENT. THIS WILL GIVE ANCAP A CONSIDERABLE INVENTORY PROFIT, AS WELL AS MORE THAN COMPENSATE FOR THE INCREASE IN CRUDE PRICES

SINCE ANCAP'S DELAYS IN TURNING OVER GAS TAX RECEIPTS TO THE CENTRAL GOVERNMENT HAD BEEN A MAJOR FACTOR IN THE GOU'S INCABILITY TO ACHIEVE ITS TARGET OF REDUCING THE FISCAL DEFICIT, THE OPEC PRICE RISE WAS AN OPPORTUNE MOMENT TO TAKE ACTION.
SIRACUSA

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BANK LOANS, DEBT REPAYMENTS, ECONOMIC PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 OCT 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975MONTEV03559
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750361-0863
From: MONTEVIDEO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751043/aaaabmbp.tel
Line Count: 74
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION XMB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 MONTEVIDEO 3424
Review Action: RELEASED, APPROVED
Review Authority: buchant0
Review Comment: n/a
Review Content Flags:
Review Date: 27 OCT 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27 OCT 2003 by MaustMC>; APPROVED <03 FEB 2004 by buchant0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GOU ACTS ON COMMERCIAL ARREARS AND OTHER ECONOMIC REFORMS
TAGS: EFIN, UY
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006